

EXHIBIT 2

TRUSTEE'S SECOND REPORT

in the bankruptcies of

LG.Philips Displays Holding B.V.

and

LG.Philips Displays Netherlands B.V.

and

LG.Philips Displays Investment B.V.

Date: 28 August 2006

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1. Introduction

1.1

The current report is the second official public trustee's report in the bankruptcies of LG.Philips Displays Holding B.V., LG.Philips Displays Netherlands B.V. and LG.Philips Displays Investment B.V. This report must be read in conjunction with the previous trustee's reports.

In this report the respective bankrupt companies will be discussed per subject.

LG.Philips Displays, LG.Philips Displays Holding B.V., LG.Philips Displays Netherlands B.V. and LG.Philips Displays Investment B.V. will hereinafter be referred to as LPD, LPD Holding, LPD Netherlands, respectively LPD Investment. LPD Group is used to indicate all companies of which LPD Holding is direct or indirect shareholder.

2. General data:

2.1 LPD Holding:

Details of the company : The private company with limited liability **LG.Philips Displays Holding B.V.**, with registered office and place of business in (5651 CA) Eindhoven at the Zwaanstraat 2 a, registered with the Chamber of Commerce in Eindhoven under number 17135094.

Bankruptcy number	:	06/74 F
Date of granting provisional moratorium	:	27 January 2006
Date of bankruptcy judgement	:	30 January 2006
Trustee	:	Mr. A.A.M. Deterink
Bankruptcy judge	:	Mr. F.H.E. Boerma
Period under review	:	1 March 2006 to 12 August 2006
Date of first report	:	1 March 2006
Reporting date	:	18 August 2006
Total number of hours spent	:	Mr. A.A.M. Deterink: 526 hours and 12 minutes Mr S.H.F. Hoppenbrouwers: 465 hours and 18 minutes Mrs. K. van der Pluijm (bankruptcy assistant): 2 hours and 10 minutes other assistants: 5 hours and 30 minutes

2.2 LPD Netherlands:

Details of the company	:	the private company with limited liability Philips Displays Netherlands B.V., with registered office and place of business in (5651 CA) Eindhoven at the Zwaanstraat 2a, registered with the Chamber of Commerce in Eindhoven under number 17135094.
Bankruptcy number	:	06/71 F
Date of judgement	:	27 January 2006
Trustee	:	Mr. A.A.M. Deterink
Bankruptcy judge	:	Mr. F.H.E. Boerma
Period under review	:	1 March 2006 to 12 August 2006
Date of first report	:	1 March 2006
Reporting date	:	18 August 2006
Total number of hours spent	:	Mr. A.A.M. Deterink: 123 hours and 18 minutes

Mr S.H.F. Hoppenbrouwers: 329 hours and 54 minutes

Mrs. K. van der Pluijm (bankruptcy assistant):
98 hours and 30 minutes

other assistants: 10 hours and 42 minutes

2.3 LPD Investment:

Details of the company : the private company with limited liability LG.Philips Displays Investment B.V., with registered office and place of business in (5651 CA) Eindhoven at the Zwaanstraat 2a, registered with the Chamber of Commerce in Eindhoven under number 17126135.

Bankruptcy number : 06/139 F

Date of judgement : 28 February 2006

Trustee : Mr. A.A.M. Deterink

Bankruptcy judge : Mr. F.H.E. Boerma

Period under review : 13 May 2006 to 12 August 2006

Date of first report : 18 May 2006

Reporting date : 18 August 2006

Total number of hours spent : Mr. A.A.M. Deterink: 37 hours and 42 minutes
Mr S.H.F. Hoppenbrouwers: 28 hours and 6 minutes
Mrs. K. van der Pluijm (bankruptcy assistant):
10 minutes

3. Status of the companies belonging to the LPD Group:

3.1 General

As has been described in the first trustee's report, LPD Holding is a joint venture of Royal Philips Electronics (hereinafter: "Philips") and LG Electronics (hereinafter: "LGE"), to which both parties have transferred their so-called cathode ray tube (hereinafter: "CRT") activities. The CRT activities come, roughly speaking, down to the manufacture and sale of conventional (thick) picture tubes for television sets and computer monitors.

The joint venture was created in 2001 with the merger of a number of Philips and LG production facilities into a single enterprise. As of 27 January 2006 the LPD Group had twenty factories in Europe, Asia and America with in total about 18,000 employees.

As has also been set out in the first public trustee's report, in the period prior to the application for the moratorium on payment, respectively the bankruptcies LPD Holding investigated the best possible way of guaranteeing the group's continuity and the value represented by parts of the group. This exercise eventually led to the result that in connection with the bankruptcy of LPD Holding, LPD Netherlands and LPD Investment almost all viable parts of the group were transferred to a wholly-owned subsidiary of LPD Holding, namely LPD International B.V. (formerly: "LPD China"). These viable parts will hereinafter also jointly be referred to as the "**Ongoing Group**". The in the view of LPD Holding (eventually) nonviable companies of the LPD Group, hereinafter also jointly referred to as the "**Residual Group**", have by now been declared bankrupt, or have proposed a composition to creditors within the framework of instituted insolvency proceedings, or have ceased their activities but have not yet been declared bankrupt, or as yet continue their activities.

In the following we will first describe the status of the Ongoing Group and the companies belonging to it after which the status of the companies belonging to the Residual Group will be set forth.

3.2 Ongoing Group

3.2.1 Course of affairs of Ongoing Group 1st half year 2006

Sales for the first half year of 2006 amounted to USD 1,076 billion and were 3.1% higher than estimated; 18.9 million picture tubes for television sets (the so-called CPT) were sold and 6.3 million picture tubes for monitors (the so-called CDT). Sales prices remained at a reasonable level.

The Ebit (profit before interest, taxes and excluding reorganisation costs) amounted to USD 15 million. The Ebitda (profit before interest, taxes, depreciation and excluding reorganisation costs) amounted to USD 86 million.

The cash flow before repayments on loans amounted to USD 71 million and was considerably higher than expected, thanks to careful management of the operating capital and thanks to postponing capital expenditure (so-called Capex).

As all competitors on the market, the Ongoing Group had to contend with strongly rising prices of raw materials such as copper, nickel and glass.

The Ongoing Group employs at present in total about 12,750 employees.

3.2.2 Prognosis Ongoing Group 2006

For the whole of 2006 the following figures are estimated:

- Sales: USD 2.1 billion (38 million picture tubes for television sets and 12 million picture tubes for monitors).

- Ebit (exclusive of reorganisation costs): USD 18 million.
- Ebitda (exclusive of reorganisation costs): USD 159 million, of which USD 103 million to be allocated to Chinese Joint Ventures.
- Cash flow before repayments on loans: USD 77 million.

In May 2006 long-term “off-take” agreements were concluded with Philips and LGE.

The loans of local banks were maintained and where needed extended.

The factory in Stadskanaal (where glass components were made) has by now been closed and transferred to LPD Hua Fei in Nanjing. A social plan has been offered to the employees who have been made redundant.

The financing of the operating capital of the Ongoing Group could be realised since in consultation with the trustee the Bank Syndicate agreed with the transfer of all trade accounts receivable pledged to it from in particular LPD Netherlands to the Ongoing Group, where the receivables were cashed and used for financing the operating capital.

In the past year a veritable “shake out” took place on the CPT market (picture tubes and TV sets) among the competitors:

- Ekranas, Tesla and Hotline were declared bankrupt.
- SDI closed a number of CPT production lines in Germany and Malaysia and also intends to shut down some lines in Korea.
- MTPD has announced to shut down all its production lines in Malaysia in 2006, while in Indonesia one production line will be closed.
- Shanghai-Novel shut down two production lines.

The sketched “shake out” has a favourable effect on the continuity of the Ongoing Group.

In the first half of 2006 the following steps were taken:

- 1) Concluding so-called “off-take” agreements with LGE and Philips;

- 2) Maintaining existing financing and arranging for new financing with local banks by LG Philips Shuguang, Hua Fei, LPD Korea and LPD Brasil;
- 3) Stimulating the profitable so-called “Superslim” picture tube;
- 4) Safeguarding supplies;
- 5) Carrying out substantial cost saving measures;
- 6) Shutting down Stadskanaal and moving the production lines to LPD Hua Fei;
- 7) Careful management of the operating capital.

In the second half of 2006 the emphasis will among other things be on the following measures:

- 1) Continuing focus on further cost reduction.
- 2) Further stimulation of the growth of sales of the so-called Superslim picture tubes.
- 3) Improvement of the strategic position of LPD Brasil.
- 4) Study of strategic options in respect of existing production lines in Europe.
- 5) Realisation of refinancing of LG.Philips Shuguang (Changsha).

3.2.3 Restructuring of the financing provided by the Bank Syndicate to the Ongoing Group

As said above, in connection with the bankruptcy of LPD Holding a restructuring was implemented. All viable companies of LPD Holding were brought together in the so-called “Ongoing Group”, falling under LPD International B.V. as intermediate holding company. The companies that were not deemed viable in the short to medium term, or at any rate less viable, remained behind in the so-called “Residual Group”. The companies, belonging to the Ongoing Group (see the organisation chart in Annex 1) will be put up for sale.

The shares of these companies have been pledged to the Bank Syndicate. The Bank Syndicate has instructed the investment bank Lazard to supervise the sales process.

In anticipation of the sale the Bank Syndicate has taken the initiative for a complete restructuring of the bank debts. Discussions about this are being held with the trustee, with all members of the

Bank Syndicate and with the management of LPD International B.V. and LPD International Ltd. The now intended restructuring may be summarised as follows:

The shares of International B.V. as (intermediary) Holding company of the Ongoing Group should be transferred with the cooperation of the trustee of LPD Holding to a Newco to be specially formed for this purpose in Luxembourg, of which the shares will be mainly held by the banks.

In order to obtain the cooperation of the trustee, a (small) part of the shares in Newco will also be offered to the estate of LPD Holding, or the estate of LPD Holding will receive compensation to be further agreed upon for in particular unpledged assets included in the restructuring as well as for facilitating the restructuring process.

Part of the bank debt of about USD 600 million will be converted into Newco shares on conditions to be further agreed upon.

An amount of about USD 150 million of the bank debt will remain applicable to these companies by means of a newly to be concluded Facility Agreement with the companies belonging to the Ongoing Group. The claim of the Bank Syndicate on the Holding will be reduced by the value still to be assigned to the Ongoing Group. The claim of the Holding on LPD Korea amounting to USD 510 million (on account of the so-called Floating Rate Notes ("FRN"), which money was made available to the Holding under the existing Facility agreement and was passed on in loan by the Holding to LPD Korea in the form of FRN) will be transferred with all security assets to LPD International B.V., after which this claim should be partly written off in order to reinforce the balance sheet of LPD Korea.

If it might unexpectedly not be possible to realise the restructuring, whether or not by making a so-called scheme of arrangement according to English law by virtue of Section 425 of the Companies Act 1985, the trustee will grant the Bank Syndicate by virtue of Article 58 Bankruptcy Act a period in which all security rights should be exercised.

All companies belonging to the Ongoing Group will be further outlined below.

3.2.4 LPD International B.V.

LPD International was formed in 2001 by LPD Holding by notarial deed, under the name of LPD China B.V. The registered name LPD China was changed into the present name by notarial deed of 17 January 2006.

Until today LPD Holding is sole shareholder of LPD International. Furthermore LPD International on itself can be considered as the holding company of the Ongoing Group.

3.2.5 LPD Brasil Ltda (98%)

Until 26 January 2006 98% of the shares in LPD Brasil were held by LPD Investment. The other 2% of the shares were and are still held by Philips and LGE. By agreement of 26 January 2006 LPD Investment transferred all shares in LPD Brasil held by it but pledged to the Bank Syndicate to LPD International. The value of the transferred shares, which must still be determined, will be deducted from the claim of the Bank Syndicate on LPD Investment. Consultations about this are being held with the Bank Syndicate.

The trustee has further discovered that by agreement of 26 January 2006 LPD Holding transferred a Loan Agreement with LPD Brasil to LPD International. The trustee reserves all rights in respect of this transfer.

Four factories belong to LPD Brasil which employ about 2600 employees. Three factories manufacture components and the fourth one manufactures picture tubes.

In the past year LPD Brasil successfully arranged a new loan of USD 19 million for financing its operating capital.

On the Brazilian CRT market LPD Brasil has a market share of 55 to 60% and together with SDI it controls roughly 85-90% of the market.

Although Philips and LGE are the most important customers, LPD Brasil also supplies to other (local) buyers. LPD Brasil further generates proceeds for its sister companies, in the sense that LPD Korea depends for its sales for an amount of USD 111 million on LPD Brasil while the European factories in Blackburn and Sittard jointly depend for 35% of their sales on LPD Brasil.

Partly because of the strongly risen prices of raw materials, of e.g. copper and nickel, unfavourable exchange rates, technical problems and the ever increasing competition from Asia, the result of LPD Brasil in the first six months is negative and the debt exposure has increased. In order to carry out a complete restructuring Alvarez & Marsal was appointed as Chief Restructuring Officer (CRO). In the coming months the costs will be substantially reduced, the production process will be further automated and all technical problems will have to be solved. LPD Brasil further expects a tax refund of about USD 32.5 million which will be used to pay the reorganisation costs and to reduce the debt burden.

After the restructuring has been completed, the management expects that LPD Brasil will work EBIT breakeven in 2007.

3.2.6 P.T. LPD Indonesia

LPD International holds 96,998 shares of the in total 97,000 shares in LPD Indonesia. Until 26 January 2006 two shares were held by LPD Investment. On 26 January 2006 LPD Investment sold and delivered the two shares it held in LPD Indonesia to LPD Eindhoven. The remaining shares remained with LPD International.

The factory of LPD Indonesia, which at present still employs about 1000 employees, manufactures both picture tubes and components.

In the first six months of 2006 sales of LPD Indonesia amounted to USD 96.5 million and the EBITDA (excluding reorganisation costs) to USD 7.8 million.

3.2.7 LG.Philips Shuguang Electronics Co., Ltd (China) (54%)

LPD International holds 54% of the shares in LG.Philips Shuang Electronics, Hunan Electron Information Industrial Group holds 34% and Shuguang Electronics 12% of the shares.

LG.Philips Shuguang Electronics employs at present still about 3,300 employees who manufacture components and picture tubes.

Sales in the first half year of 2006 amounted to USD 253.3 million. The EBITDA amounted to USD 25 million. The company locally raised new financing amounting to USD 31 million for the part replacement of the existing financing which had become due. LG.Philips Shuguang Electronics is not a co-debtor for the group financing of the Bank Syndicate.

3.2.8 Beijing LG.Philips Electronics Co., Ltd. (China) (69.2%)

It concerns a joint venture with Beijing Electronic Group (30.8%). The company exploits a factory for the manufacture of components and has now still about 325 employees.

Sales in the first half year of 2006 amounted to USD 21.3 million. The EBITDA amounted to USD 1.6 million. Beijing LG.Philips Electronics is not a co-debtor for the group financing of the Bank Syndicate.

3.2.9 Hua Fei Colour Display Systems Co., Ltd (China) (55%)

Hua Fei Colour Display Systems Co., Ltd (“LPD Hua Fei”) was formed in 1988 by Philips, jointly with two other Chinese partners. At the time of the formation of the LPD joint venture Philips transferred its shares in LPD Hua Fei to LPD Investment. By the middle of 2005 LPD Investment transferred its shares in LPD Hua Fei to LPD International.

LPD International holds at present 55%, JITIC 25% and Huadong 20% of the shares in LPD Hua Fei. The total amount invested through the years in LPD Hua Fei amounts to about USD 562 million.

Seven factories belong to LPD Hua Fei where in total about 5,500 employees work of whom about 2,600 employees have been hired by LPD Hua Fei. LPD Hua Fei manufactures, at any rate assembles the entire picture tube. Buyers of the picture tubes are e.g. Philips, LGE, Daewoo and several Chinese TV manufacturers.

In the past years LPD Hua Fei has achieved very positive results. It further applies that LPD Hua Fei has virtually no debts.

The fact is that in 2005 LPD Hua Fei repaid all its debts, apart from one. The debt which has not been repaid concerns a loan at a very low interest rate which the Dutch government has provided to LPD Hua Fei. LPD Hua Fei is not a co-debtor for the group financing of the Bank Syndicate.

3.2.10 LPD International Ltd (Hong Kong)

LPD International Ltd., with registered office in Hong Kong, de facto conducts the management of the Ongoing Group. LPD International B.V. has concluded a management agreement with LPD International Ltd. The management board of LPD International Ltd. consists of:

- Jeong Son: President & CEO
- Paul Verhagen: CFO & Vice President
- Soo Deok Han: CPO
- Reinoud Mangelmans: General Counsel
- DS Moon: Controller
- Albert Yang: CSO

Alvarez & Marsal acts as financial advisor of LPD International Ltd. KPMG was the auditor of LPD Group.

The management board of LPD International reports directly to the trustee and to the Steering Committee of the Bank Syndicate.

3.2.11 LPD Blackburn Ltd

LPD Blackburn was formed early in January 2006 under the name Caray Limited. In January 2006 its registered name was subsequently changed into the present one. Founder and sole shareholder of LPD Blackburn is LPD International. LPD Blackburn has been incorporated under English law.

By agreement of 26 January 2006 LPD Netherlands transferred the branch of LPD Netherlands in Blackburn to LPD Blackburn while all employees employed at the Blackburn branch entered the employment of LPD Blackburn by operation of law.

Furthermore all intellectual property rights (insofar as they exist) belonging to the Blackburn branch were transferred by separate agreement of 26 January 2006 by LPD Netherlands to LPD Blackburn. The trustee has reserved all rights both in respect of the transfer of the enterprise in Blackburn and the transfer of intellectual property rights. Both transfers are the subject of further investigation.

LPD Blackburn manufactures (cathode) components for the picture tube. Furthermore, before the bankruptcy date LPD Netherlands, Blackburn branch, was busy developing a new product which may be described in short as a cold cathode for LCD backlight. The development was at a very advanced stage.

By the same agreement of 26 January 2006 LPD Netherlands also transferred the new product to LPD Blackburn. The trustee as yet assumes that the transfer agreement of intellectual property rights relates to this new product.

Finally it applies that shortly before or after the sale of the branch in Blackburn, LPD Blackburn bound itself as guarantor (joint and several co-debtor) to the Facility Agreement existing at the

time when the various companies were declared bankrupt. Moreover, on or about 27 January 2006 LPD Blackburn pledged all its (future) moveable property to the Security Agent.

3.2.12 LPD Eindhoven B.V.

Early in January 2006 LPD Eindhoven was taken over by LPD International under the name of Mavimo B.V. On 26 January 2006 the registered name Mavimo B.V. was changed into the current one. LPD International holds all shares in LPD Eindhoven.

On 29 January 2006 the trustee sold and transferred almost all assets and suchlike of LPD Netherlands, Eindhoven branch, to LPD Eindhoven. LPD Eindhoven also assumed the obligation to offer a new job to about 75 of the about 318 employees employed at the branch in Eindhoven. (The jobs of about 70 extra employees could be saved via the sale of the so-called PTE and SP activities by the trustee to third parties.)

LPD Eindhoven is LPD's European sales organisation. LPD Eindhoven also provides technical support to its sister companies and is also engaged in product development.

Shortly before or after the sale of the assets in Eindhoven, LPD Eindhoven bound itself as guarantor (joint and several co-debtor) to the Facility Agreement existing at the time when the various companies were declared bankrupt. Moreover, on or about 27 January 2006 LPD Eindhoven pledged all its (future) moveable property to the Security Agent.

3.2.13 LPD Stadskanaal B.V.

Early in January 2006 LPD Stadskanaal was taken over by LPD International under the name of Somara Holding B.V. whose registered name was changed on 26 January 2006 into the present one. Sole shareholder is LPD International.

After LPD Netherlands was declared bankrupt, the trustee sold and transferred the branch in Stadskanaal, at any rate its enterprise, to LPD Stadskanaal on 29 January 2006. LPD Stadskanaal also assumed the obligation to offer a new employment contract to all, at any rate almost all employees employed at the Stadskanaal branch. LPD Stadskanaal manufactured the so-called 'stem', a small component of the picture tube.

Shortly before or after the sale of the enterprise in Stadskanaal, LPD Stadskanaal bound itself as guarantor (joint and several co-debtor) to the Facility Agreement existing at the time when the various companies were declared bankrupt.

On or about 27 January 2006 LPD Stadskanaal pledged all its (future) moveable property to the Security Agent.

As of 1 July 2006 LPD Stadskanaal shut its doors and laid off all its personnel (about 52 employees). A social plan has been offered to the employees laid off. The assets of LPD Stadskanaal were sold and transferred to its Chinese sister company, LPD Hua Fei which will continue the production of LPD Stadskanaal. In the period June-September 2006 the former production lines of LPD Stadskanaal will be installed at LPD Hua Fei.

3.2.14 LPD Sittard B.V.

Early in January 2006 LPD Sittard was taken over by LPD International under the name of Diameter Holding B.V. On 26 January 2006 this registered name was changed into the present one. Sole shareholder of LPD Sittard is LPD International.

On 29 January 2006 the trustee sold and transferred all assets and suchlike of LPD Netherlands, Sittard branch, to LPD Sittard. LPD Sittard also assumed the obligation to offer a new job to about 120 of the 150 employees employed at the branch in Sittard. LPD Sittard manufactures metal components for so-called electron guns, a component of the picture tube.